SNAPSHOT: Transfer of Wealth Opportunity

LOCUS Impact Investing's 2020 Transfer of Wealth Opportunity Analysis for the DeKalb County Community Foundation service area provides an estimate of your region's assets – homes, businesses, investments - that will transfer between generations within the next 10 and 50 years. It provides a research-based estimate of the household wealth that, with active donor engagement, might be available for charitable giving and philanthropic investing.

Current Household Net Worth

Transfer of Wealth

5% For Grantmaking

Capturing just 5% of the 10-Year TOW potential would create $125 million in new endowments. Over 20 years, this endowment could support average annual grantmaking of nearly...

$7 million

5% For Local Investing

Investing even 5% of those new endowed assets locally for impact over 20 years would generate enough local financing to support construction of workforce housing, help low-income entrepreneurs launch businesses, and support nonprofit capital projects.

A 5% investment over 20 years could generate $89 million to meet "gap financing" needs in the region.
INSIGHTS: Your Community’s Opportunity

There is good news for your community foundation's area. Not only does the region have wealth, but experience shows there are ways to put those assets to work to promote economic vitality and community prosperity. This assessment shows that:

Your community has assets. Today, the region has current household net worth of $17.7 billion, a sizeable number. One of the first challenges a community may face while building a more prosperous future is overcoming the perception that it lacks the capacity, the tools, or the know-how to make a lasting change for the better. Simply understanding the scale of your region's net worth can be helpful in dispelling that perception and help community members start dreaming about what might be possible.

Many people have wealth. Families of various incomes have something to contribute to this region and there are many advantages to engaging households at all levels and across generations. A broad-ranging outreach strategy is consistent with the movement by many organizations to diversify their boards, champion meaningful resident engagement, and promote community leadership. Your development team can make meaningful contributions when it comes to building inclusive, community-oriented investments.

You can realize this wealth for the community. Organizations started assessing their local transfer of wealth in the early 2000s. Foundations used this information to develop community legacy campaigns, inform donor development strategies, and conduct strategic planning. Some foundations called on neighbors to give just 5%, a remarkable $125 million in your region, to support important philanthropic purposes. Experience shows that understanding your region's transfer of wealth – having numbers and setting goals – helps foundations better reinvest those assets to promote community economic development.

The time for planning is now. Community economic development takes time. Local organizations should be planning for population shifts, recognizing that $2.5 billion will transfer from one generation to the next by 2030. Frequently, place-focused foundations need to wait for the grantee with the right set of skills, a government that is ready to partner, or for the right donor with aligned priorities. Developing a strategy to retain just a portion of a region's transfer of wealth needs to start now.

Your community needs these assets. Healthy and vibrant places take investment – investment in schools, housing, main streets, businesses, hospitals, and much, much more. Nonprofits, businesses, governments, and philanthropy need the capital and the skills to make these investments. The transfer of wealth opportunity in your region likely represents one of the most underdeveloped resources for furthering community-led projects and programs. Capturing 5% of the region's transfer of wealth could support nearly $149 million in local grantmaking and $89 million in local gap financing to support critical community efforts over the next 20 years. A concerted effort to capture just a portion will mean that communities have the resources they need to make investments in their future.